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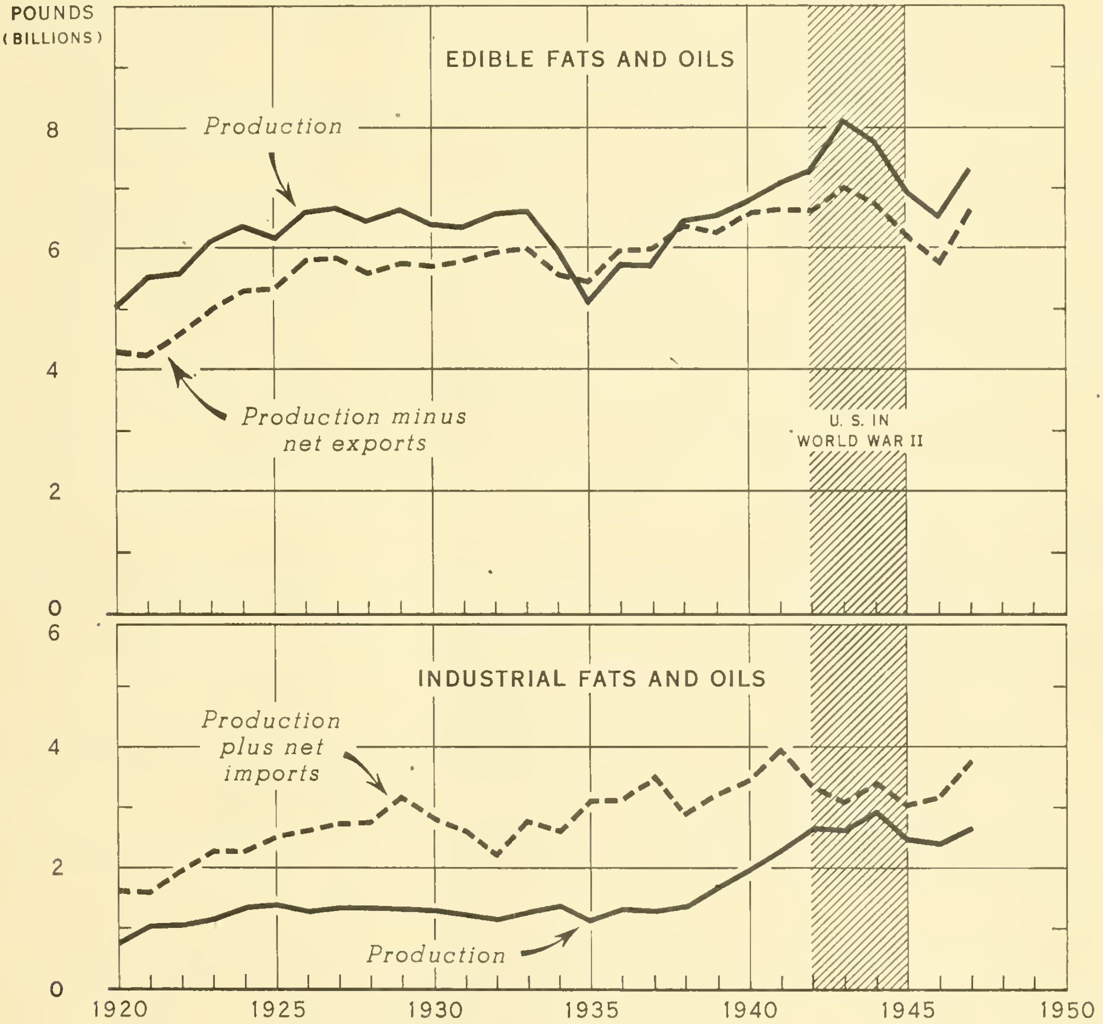
THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

FOS-124 BAE MAY 1948

FATS AND OILS: PRODUCTION FROM DOMESTIC MATERIALS PLUS NET IMPORTS OR MINUS NET EXPORTS, UNITED STATES, 1920-47



BASED ON DATA IN TABLE 4, THIS ISSUE

U S DEPARTMENT OF AGRICULTURE NEG. 46743 BUREAU OF AGRICULTURAL ECONOMICS

Except in 1935-37, when production was curtailed by drought, United States exports of edible fats and oils have exceeded imports in all years of record. Lard is the leading export item. In recent years exports of soybean oil have also been substantial.

Net imports of industrial fats before the war were about as large as domestic production, but were severely reduced during the war. Imports of tung oil and of coconut oil and copra in terms of oil have recovered to the prewar level, but imports of palm oil and of linseed oil and flaxseed in terms of oil are still far below prewar.

Net trade in both edible and industrial fats is expected to be somewhat smaller in 1948 than 1947.

Table 1.- Wholesale prices per pound of fats, oils, and glycerin at specified markets, and index numbers of prices of fats and oils, April 1946 and 1947, February-April 1948

Item	April		1948		
	1946	1947	February	March	April
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	46.5	61.1	81.4	79.3	80.4
Butter, 92-score, New York	47.2	63.0	83.8	80.7	82.8
Oleomargarine, dom. veg., Chicago	19.0	41.0	37.6	37.0	37.4
Shortening, cottonseed, hydrogenated, 10-drum lots, N. Y.	17.8	38.6	33.8	32.5	34.6
Shortening, cont. animal fat, 1-lb. cartons, Chicago	17.0	36.5	35.8	33.5	34.9
Lard, loose, Chicago	13.0	25.0	20.4	20.2	21.2
Lard, prime steam, tierces, Chicago	14.0	27.5	22.0	21.8	23.4
Lard, refined, 1-pound cartons, Chicago	15.8	28.4	24.8	24.2	25.2
Oleo oil, extra, tierces, Chicago	13.0	31.0	27.9	23.0	23.2
Oleostearine, tierces, N. Y.	10.5	1/ 31.0	25.4	23.6	23.5
Tallow, edible, Chicago	9.9	23.9	20.6	20.2	19.1
Corn oil, crude, tanks, f.o.b. mills	12.8	29.8	22.6	23.2	28.1
Corn oil, refined, drums, New York	16.6	39.2	31.0	29.8	35.1
Cottonseed oil, crude, tanks, f.o.b. S.E. mills	12.8	31.8	22.2	23.9	29.2
Cottonseed oil, p.s.y., tank cars, N.Y. (nearby futures)	2/14.3	32.0	23.9	26.2	30.6
Cottonseed oil, refined, drums, New York	16.5	41.1	30.9	30.4	35.8
Peanut oil, crude, tanks, f.o.b. mills	13.0	30.4	23.8	24.2	29.1
Peanut oil, refined, drums, N. Y.	16.5	41.1	30.6	30.2	35.9
Soybean oil, crude, tank cars, midwestern mills	11.8	27.4	19.6	21.4	24.5
Soybean oil, refined, drums, N. Y.	15.4	35.0	24.6	26.9	29.7
Coconut oil, crude, tank car lots, Pacific Coast 3/	4/11.0	23.9	23.5	25.4	27.0
Olive oil, imported, edible, drums, N. Y.	—	95.3	64.5	58.4	59.9
Olive oil, California, edible, drums, N. Y.	59.7	—	64.1	58.4	58.4
Olive - oil foots, domestic, drums, carlots, N. Y.	18.0	—	—	25.2	25.2
Sesame oil, tanks, Pacific Coast	15.2	38.0	28.0	—	29.0
Tallow, inedible, prime or extra, carlots, Chicago	8.6	23.2	18.9	19.0	17.4
Tallow, No. 1, inedible, Chicago	8.4	22.9	18.0	18.1	16.7
Grease, A White, Chicago	8.8	23.1	18.4	18.6	17.2
Menhaden oil, crude, tanks, f.o.b. Baltimore	8.9	—	20.0	—	—
Menhaden oil, light pressed, tanks, N. Y.	12.2	28.0	22.5	21.0	21.0
Sardine oil, crude, tanks, Pacific Coast	8.9	23.5	24.0	18.5	19.0
Cottonseed-oil foots, raw (50% T.F.A.) delivered, East	3.6	8.6	5.9	6.0	6.4
Linseed oil, raw, tank cars, Minneapolis	14.3	38.0	28.6	27.7	27.3
Linseed oil, raw, drums, carlots, N.Y.	15.5	39.4	30.6	29.2	29.0
Oiticica oil, drums, f.o.b. N.Y.	25.5	34.4	24.9	24.2	24.2
Tung oil, drums, carlots, N.Y.	39.2	36.0	26.2	26.4	25.7
Tung oil, tanks, f.o.b. Pacific Coast	—	34.8	24.8	24.8	24.3
Castor oil, No. 3, drums, carlots, N.Y.	14.8	33.8	26.5	26.0	24.7
Castor oil, No. 1, tanks, N. Y.	14.2	33.4	26.2	25.5	24.2
Castor oil, dehydrated, tanks, N. Y.	19.4	38.6	29.2	28.5	27.2
Cod-liver oil, med. U.S.P. bbl., N. Y.	35.2	41.0	33.6	33.6	33.6
Cod oil, Newfoundland, drums, N. Y.	11.9	—	23.0	23.0	23.3
Glycerin, soaplye, basis 80%, tanks, N. Y.	11.5	42.5	29.5	29.5	25.6
INDEX NUMBERS (1935-39 = 100)					
Eight domestic fats and oils (1910-14 = 100)	152	260	268	264	276
Eight domestic fats and oils (.72*)	150	257	265	260	272
All fats and oils (27 items) (.73*)	158	270	270	268	278
All fats and oils, except butter, (26 items) (.82*)	155	335	261	265	282
Grouped by origin:					
Animal fats (.69*)	152	233	268	262	267
Marine animal oils (.77*)	171	5/490	416	383	384
Vegetable oils, domestic (.84*)	160	369	280	294	333
Vegetable oils, foreign (.88*)	177	349	268	269	276
Grouped by use:					
Butter (.67*)	157	207	276	270	273
Butter, seasonally adjusted (.67*)	164	218	267	261	288
Lard (.78*)	137	269	215	213	229
Other food fats (.84*)	168	358	271	285	321
All food fats (.71*)	156	249	268	265	276
Soap fats (.80*)	150	368	291	301	302
Drying oils (.85*)	174	378	292	280	278
Miscellaneous oils (.71*)	163	355	318	313	306
All industrial fats and oils (.82*)	160	371	291	291	290

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), Chicago Journal of Commerce, and reports of Production and Marketing Administration and Bureau of Labor Statistics. Excise taxes and duties included where applicable. Index numbers of earlier years beginning 1910 are in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ Loose. 2/ Ceiling price. 3/ Three-cent processing tax added to prices as originally quoted.
4/ Bulk, c.i.f. 5/ Applies to sardine and menhaden oils only.
* Multiply by this factor to convert current index number (1935-39 = 100) to old basis (1924-29 = 100).

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board May 19, 1948

Contents

	Page
Summary and Outlook	3
Recent Developments	4
Net Foreign Trade in Fats and Oils Compared with Production	8

SUMMARY AND OUTLOOK

An unusually wide dispersion among prices of fats and oils was evident in mid-May. In general, drying oils were lower and food oils were higher than a year earlier. Prices of crude cottonseed, corn, and peanut oils were around 35 cents per pound; crude soybean oil 26 cents; crude coconut oil, including an allowance for the processing tax, 28 cents; lard in tank-car lots, 20 cents; and inedible tallow and greases 16 cents. These price differences probably will be narrowed by increased production of cottonseed oil and seasonally reduced supplies of lard and grease this summer and by substitution of lower-priced fats for the more expensive ones. Consumers and bakers will tend to shift for the time being from vegetable-oil shortening to lard. Soapmakers will tend to reduce the percentage of coconut oil used in their products and to increase the percentage of tallow and grease.

Prices of edible and soap fats and oils in mid-May averaged about 12 percent above calendar-year 1947. The average for the remainder of 1948 also is likely to be above 1947 unless yields per acre from 1948 oil-crops are unusually high.

Prices of drying oils in mid-May were about 16 percent below the 1947 average and are likely to remain below 1947 in the rest of 1948. Output of linseed oil from domestic flaxseed will continue large unless growing conditions for the flaxseed crop this summer are unusually poor. Imports of tung and cititica oils and castor beans probably will total as much this year as last. January-March 1948 imports of tung oil amounted to 46 million pounds, the same as a year earlier.

Factory and warehouse stocks of edible vegetable oils on April 1 were only slightly larger than a year earlier. Production in April-September probably will total less than in the same months of 1947. The early season peak in crushings was more pronounced this crop-year than last.

Lard stocks in cold storage May 1 were 137 million pounds compared with 124 million pounds a year earlier, and early marketing of fall pigs is likely to keep production this spring about as high as a year ago. The strike of packinghouse workers this spring has caused some hogs to be diverted to plants not under Federal inspection. However, the decrease in output of federally inspected lard has been partly offset by an increase in production of non-inspected lard. Summer and fall output of lard is likely to be substantially smaller this year than last.

April 1 stocks of inedible tallow and greases, at 300 million pounds, were 125 million pounds larger than a year earlier. Production of tallow and greases was at a record rate in 1947 and the first quarter of 1948. Output apparently continued large in April, partly because of diversion of hogs and cattle by the packinghouse strike to non-federally inspected plants. Because of poorer facilities for recovery of edible fat, the yield of inedible fat per 100 pounds live weight of animals slaughtered is larger in non-inspected than in inspected establishments. Production of inedible tallow and greases next summer and fall is expected to decline materially from the high level of a year earlier, reflecting reduced hog and cattle slaughter.

The price of coconut oil in the United States, though high, recently has been below the usual relationship with the price of copra in the Philippine Islands. Output of copra in the Philippine Islands is now low as a result of the December typhoon. Production is expected to increase after mid-year.

Net imports of fats and oils into the United States in 1948 probably will be slightly smaller than in 1947, when they were equal to 4 percent of production from domestic materials. Net imports in 1947 of the oils and fats used mainly in nonfood products (including the oil equivalent of copra and other oilseeds) were equal to about 27 percent of the consumption of inedible fats in the United States. Partly offsetting this was a net export of edible fats equal to 9 percent of domestic production of edible oils and fats. Declines are expected in 1948 in net imports of linseed oil and of coconut oil and copra in terms of oil. These declines in imports will more than offset increases in imports of palm and olive oils and a decrease in exports of lard.

RECENT DEVELOPMENTS

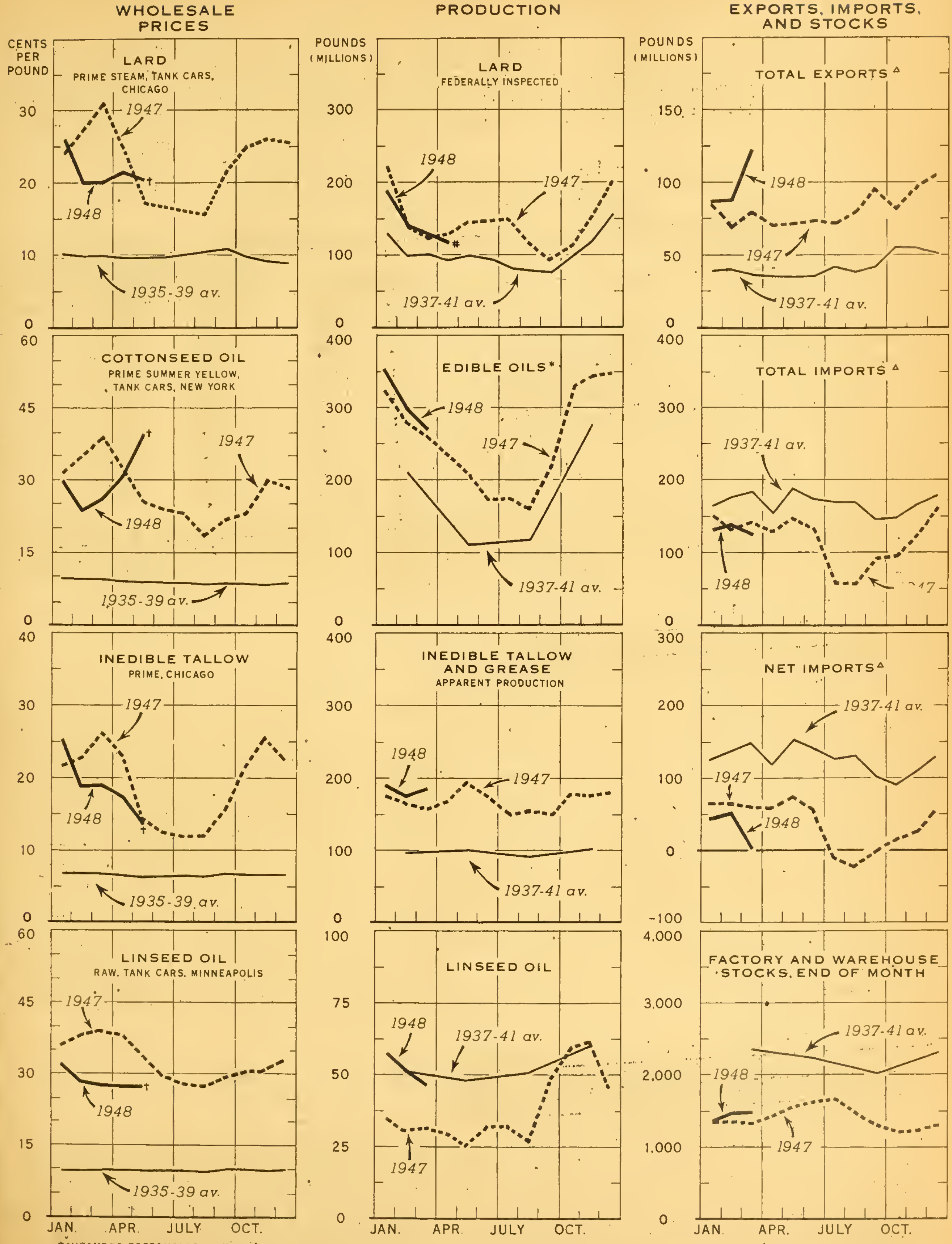
Edible Oil Prices Up in April; Decline in Tallow and Grease Prices

The index of wholesale prices of 26 major fats and oils, excluding butter, in April was 282 (1935-39-100) compared with 265 a month earlier and an average of 285 in 1947. From March to April, prices of cottonseed, corn, and peanut oils rose sharply; soybean and coconut oil moderately, and lard slightly. Prices of inedible tallow and greases were unchanged until the end of the month when they declined sharply. Prices of linseed and other drying oils declined slightly.

A further advance in edible vegetable-oil prices and a further decline in the price of inedible tallow and greases in early May resulted in the widest dispersion in many years in prices of the leading fats and oils. Lard was low-priced in relation to edible vegetable oils, and inedible tallow and greases were unusually low-priced in relation to coconut oil. (Table 2, page 6.)

Higher prices for edible vegetable oils in April were reflected in increased prices to farmers for soybeans and cottonseed. Substantial Army orders for soybeans against 1947 fourth-quarter allocations and for soy flour strengthened demand for soybeans. From mid-March to mid-April, the average

FATS AND OILS SITUATION AT A GLANCE



*INCLUDES COTTONSEED, SOYBEAN, CORN, AND PEANUT OILS
†FIRST HALF OF MAY
# ESTIMATED FROM WEEKLY DATA
△INCLUDES OIL EQUIVALENT OF OILSEEDS AND MANUFACTURED PRODUCTS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 46668 BUREAU OF AGRICULTURAL ECONOMICS price to farmers for soybeans rose from $3.23 to $3.64 per bushel. Market prices for soybeans continued to rise in late April and early May. Prices received by farmers for cottonseed in mid-April averaged $89.40 per ton compared with $87.90 a month earlier.

Prices to farmers for peanuts averaged 10.2 cents per pound in mid-April, up 0.1 cent from a month earlier. Prices received for flaxseed averaged $5.76 per bushel, 10 cents less than in mid-March. The index of prices received by farmers for oil-bearing crops in mid-April was 351 (1909-14=100) compared with the record of 377 last January, 333 in February, and 339 in March

Table 2. - Price per pound, specified fats and oils, May 15, with comparative data

Item	1947 average	1948 March	1948 April	1948 May 15
	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	70.6	79.3	80.4	75.2
Lard, tank cars, Chicago	22.5	20.2	21.2	20.0
Cottonseed oil, crude, S. E. mills	25.9	23.9	29.2	35.5
Soybean oil, crude, Midwest mills	23.2	21.4	24.3	26.0
Tallow, inedible, prime, carlots, Chicago	19.2	19.0	17.4	16.0
Coconut oil, crude, Pacific Coast 1/	20.7	25.4	27.0	27.8
Linseed oil, raw, tank cars, Minneapolis	32.8	27.7	27.2	27.2
Tung oil, tank cars, Pacific Coast.	29.0	24.8	24.3	23.5

Compiled from Oil, Paint and Drug Reporter, The National Provisioner, Chicago Journal of Commerce, and reports of Production and Marketing Administration.
1/ Three cents added to allow for tax on first domestic processing.

Price-Support Program Announced for Flaxseed Produced in 1948

Support prices of flaxseed produced in 1948 will be based on $6.00 per bushel, U. S. No. 1 grade, and $5.95 per bushel, U. S. No. 2 grade, Minneapolis. Prices will be supported by three methods: (1) Non-recourse loans will be made through October 31, 1948 to growers in Arizona, California, and Texas, and through December 31, 1948 to growers in other States. Loan values will be based on support prices. (2) Purchases will be made by CCC from producers in Arizona, California, and Texas, if necessary to assure that producers will receive the support prices. (3) Contracts for purchase of flaxseed and linseed oil at specified prices will be offered to processors who agree to pay growers not less than the support price for flaxseed. The contracts will cover flaxseed purchased through December 31, 1948. The support price to processors for linseed oil will be 26.7 cents per pound f.o.b. tank cars at processor's plant, Minneapolis basis, with specified differentials for other points.

Import Controls Discontinued on Castor Beans and Oil, Reinstated on Canadian and Mexican Flaxseed and Linseed Oil

Import controls on castor beans and castor oil were removed April 23 by an amendment to War Food Order 63. At the same time, IEFC discontinued international allocations for castor beans and oil. Production of castor beans in Brazil this year is expected to be more than 190,000 short tons compared with 193,000 short tons last year and with a 1942-46 average of 171,000 short tons. Output in other countries probably will be as large as last year. Castor beans and castor oil had been subject to U. S. import controls since April 7, 1942.

Import controls on flaxseed and linseed oil from Canada and Mexico were reinstated May 1 by an amendment to War Food Order 63. Nearly all of the IEFC allocation for flaxseed and linseed oil from those countries to the United States (4.4 million pounds, in terms of oil, from each country) had been imported by May 1.

USDA recently announced that import licenses would be issued for 11 million pounds of palm oil to be used in products other than tin and terne plate. Sixty million pounds, the remainder of the IEFC tentative allocation of palm oil to the United States for 1948, is now reserved for tin and terne plating.

Fats, oils, oilseeds, and fat and oil products for which import licences must be obtained under WFO 63 are as follows: Babassu nuts, kernels, and oil; butter; coconut oil and copra; cottonseed oil; fatty acids; linseed oil and flaxseed; lard; oleo oil, oleo stock, oleostearin; olive oil, edible and inedible, and olive-oil "foots"; palm kernels and palm-kernel oil; palm oil; peanuts and peanut oil; rape-seed oil; soap and soap powder; shortening; sunflower seed and oil; tallow, edible and inedible; and fat-or-oil combinations.

Revision in Food-Fat Disappearance Estimates

Estimates of disappearance of food fats into civilian trade channels in 1947, published in The Fats and Oils Situation for January-April 1948 (table 11, page 14), have been revised. The revised estimates, in pounds per civilian: Butter (fat content), 9.0; lard, excluding use in margarine, shortening, and nonfood products, 12.5; margarine (fat content), 4.0; shortening, 9.3; edible oils, 6.9; total (fat content), 41.7 pounds.

Total disappearance of fats and oils in food and nonfood products in 1947 was about 69 pounds per civilian. Estimated disappearance of oils and fats in nonfood products (revised) was 27 pounds per person.

Production, Exports and Domestic Disappearance of Fats and Oils in October 1947 - March 1948 Larger Than a Year Earlier

Outstanding changes in supplies and disposition of fats and oils in the United States in October 1947-March 1948, compared with a year earlier, included an increase in domestic production of all major classes of fat except lard and butter, an increase in imports of soap fats (largely coconut oil in the form of copra), and an increase in exports, particularly of lard and edible oils. (Table 3, page 9.)

Production and consumption of butter were markedly smaller in October 1947-March 1948 than a year earlier.

Output and domestic disappearance of lard were roughly equal in the two periods. Exports were larger in 1947-48, but less went into factory and warehouse stocks than in the earlier period, which began with low inventories.

Production of oils and fats (other than butter and lard) used chiefly in food products was materially larger in October 1947 - March 1948 than a year earlier. Exports also were larger. Domestic disappearance was about the same as in the earlier period.

The supply of fats and oils used mainly for soap was substantially larger last fall and winter than a year earlier. Production of coconut oil from imported copra, and output of inedible tallow and greases were both at unusually high levels. Most of the increase in supply was utilized domestically. There was some increase in exports of inedible tallow and greases.

Domestic output of drying oils in October 1947-March 1948 (largely linseed oil from domestic flaxseed) was larger than a year earlier, but imports were smaller. Domestic disappearance was only slightly larger, despite considerably lower prices for drying oils.

Total production of margarine and shortening and domestic disappearance of the two were roughly the same last fall and winter as a year earlier. However, margarine accounted for a larger percentage of both production and disappearance than in 1946-47.

FOREIGN TRADE IN FATS AND OILS COMPARED WITH DOMESTIC PRODUCTION 1920-1947

United States a Net Importer of All Fats Combined But a Net Exporter of Edible Fats

The United States has been a net importer of fats and oils since 1924, except in 1942-45 (table 3). During the war, imports were curtailed by Japanese conquests in the Pacific and by German submarine activity, while exports were increased to assist our allies. A record domestic output of fats and oils during the war made it possible to reverse our usual net trade position with only a moderate decline in domestic consumption.

Since the war, imports have increased but are still well below prewar. Exports have declined but are still materially larger than in 1937-41. Net imports in 1947, at 415 million pounds, were equal to 4 percent of production from domestic materials compared with 19 percent in 1937-41 and with the 1922-41 average of 12 percent.

Although a net importer of all fats and oils as a group, the United States has almost always been a net exporter of edible fats and oils, particularly lard. Exports of edible fats and oils were large throughout the 1920's. A decline set in after 1929, reflecting the general contraction in international trade in the early 1930's and a drive for self-sufficiency by most European countries, especially Germany. When production of animal fats in the United States was curtailed in 1935, 1936, and 1937, as a result of drought, we sharply reduced our exports of edible fats and imported large quantities of edible oils.

War in Europe at first limited our exports of fats and oils, but in 1941 substantial exports of lard were financed by Lend-Lease. During the rest of the war, we shipped large quantities of oils and fats to the United Kingdom and the Soviet Union. Even so, the 1942-45 average export was below that of the early 1920's. After the war, exports of edible fats and oils from the United States declined sharply but are still above the 1937-41 average. Net exports of edible fats and oils from the United States in 1947, including shipments to U. S. territories, were equivalent to 9 percent of domestic production of edible fats. This compares with an average of 2 percent in 1937-41 and 8 percent in 1922-41.

Table 3.-Fats and oils: Supply and disposition, United States, October-March 1946-47 and 1947-48

Item	Pro-duction from domes-tic ma-terials	Imports plus pro-duction from im-ported materials	Factory and warehouse stocks, October 1	Total supply	Factory and ware-house stocks, March 31	Exports and ship-ments to U. S. Terri-tories 1/	Domes-tic disap-pear-ance
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
	October 1946 - March 1947						
Primary fats and oils:							
Butter	720	10	74	804	8	4	792
Lard	1,468	*	28	1,496	154	169	2/1,046
Other edible	1,862	13	498	2,372	545	50	1,777
Soap fats	918	381	423	1,722	392	38	1,292
Drying oils	227	165	150	542	185	3	354
Miscellaneous fats and oils	10	92	41	143	50	6	87
Total	5,204	660	1,213	7,078	1,334	268	5,349
Fat-and-oil products:							
Margarine (fat content)	3/ 317	---	N. A.	317	N. A.	23	4/297
Shortening	5/ 824	---	53	877	51	8	818
Soap (fat content)	3/ 912	6/ 1	N. A.	914	N. A.	26	888
Adjusted total	5,204	662	1,266	7,132	1,385	325	5,299
	October 1947 - March 1948						
Primary fats and oils:							
Butter	571	*	77	648	4	7	637
Lard	1,466	*	142	1,608	182	220	2/1,082
Other edible	2,028	16	411	2,456	553	114	1,788
Soap fats	1,112	511	462	2,085	490	62	1,532
Drying oils	331	82	167	580	195	23	362
Miscellaneous fats and oils	18	93	45	156	64	6	86
Total	5,526	702	1,304	7,532	1,488	432	5,488
Fat-and-oil products:							
Margarine (fat content)	3/ 396	6/*	N. A.	396	---	11	4/383
Shortening	5/ 784	---	36	821	60	7	755
Soap (fat content)	N. A.	6/*	N. A.	N. A.	N. A.	29	N. A.
Adjusted total	5,526	702	1,340	7,569	1,548	478	5,416

Compiled from reports of the U. S. Department of Agriculture, Bureau of the Census, Fish and Wildlife Service, and Bureau of Internal Revenue. Totals computed from unrounded numbers.

1/ Includes reexports of coconut oil, palm oil, tung oil, and olive-oil "foots", and in 1947 certain quantities of linseed oil, reported in imports for consumption; military procurement (1946) and military exports (1947 and 1948) for civilian relief abroad; and shipments by private relief agencies in 1947 and 1948.

2/ Adjusted for changes in U.S.D.A. stocks of lard not included in factory and warehouse stocks and for increase in farm stocks of lard, estimated at 130 million pounds. 3/ Total quantity of fats and oils (both foreign and domestic) used in manufacture. 4/ Based on tax-paid withdrawals. 5/ Total factory production.

6/ Imports only.

* Less than 500,000 pounds.

Net imports of industrial oils and fats into the United States have always been substantial. Domestic production of soap fats--inedible tallow, grease, fish oils, and foots (refining residues)from vegetable oils-- has been supplemented by imports of coconut oil, palm oil, and inedible grades of olive oil. Linseed oil from domestic flaxseed supplied only about one-half of that consumed in the United States before the war. The rest was imported, mainly in the form of Argentine flaxseed. There were also substantial imports of tung and perilla oils.

Imports of coconut and palm oils were severely curtailed during the war. Imports of tung oil ceased almost completely. Imports of Argentine linseed oil and flaxseed were substantial in the early war years but were difficult to obtain after 1944. Net imports of inedible oils and fats in 1942-45 averaged about 0.5 billion pounds compared with 1.7 billion in 1937-41. By 1947, imports of coconut oil (largely in the form of copra) and tung oil were above the 1937-41 average, but imports of most other oils and fats remain much below prewar. Net imports of industrial oils and fats in 1947 were equivalent to 42 percent of domestic production of inedible fats, compared with an average of 105 percent in 1937-41 and 109 in 1922-41.

Reduction in 1948 Net Imports Indicated by Latest International Allocations

Tentative international allocations for 1948, recommended in early January by IEFC, indicate a reduction in imports of industrial fats and oils into the United States. Exports of food fats also will be less, on the basis of the tentative allocations.

The chief reductions in imports would be about 200 million pounds in coconut oil and oil equivalent of copra and about 100 million pounds in linseed oil and oil equivalent of flaxseed. United States requirements for imported linseed oil are sharply reduced this year as a result of the large 1947 domestic crop of flaxseed and the large acreage planned for the 1948 crop

European Recovery Act Not Expected To Change Export Pattern for Fats and Oils

Countries participating in the European Recovery Plan, plus Germany, took about 46 percent of total United States exports of oils and fats (including soybeans in terms of oil) in 1937-41 and about 37 percent in the 12 months ended June 1947. They probably will take about 50 percent in 1947-48. Export destinations of fats and oils from the United States in recent years have followed the pattern recommended by IEFC. International allocations of fats and oils by IEFC are made largely on the basis of export supplies available in the various parts of the world and relative needs in importing countries. The relative need of European countries is not likely to change greatly in 1948-49. The European Recovery Act helpd to provide funds for the purchase of fats and oils by ERP countries, but has little effect on international allocations. As domestic production of fats and oils in the United States is likely to be smaller in 1948-49 than a year earlier, some reduction in exports from the United States is probable.

Table 4 .-Production of fats and oils from domestic materials, and trade in fats, oils, soap, and oilseeds (in terms of oil), United States, 1920-47

Year	Production from domestic materials	Imports 1/	Exports and reexports 2/	Shipments to United States Territories	Net imports (+) or net exports (-)	
					Quantity	Percentage of production from domestic materials
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
	All fats and oils					
1920	5,756	1,354	1,204	23	+127	+2.2
1921	6,512	828	1,519	27	-719	-11.0
1922	6,569	1,200	1,230	28	- 58	-.9
1923	7,219	1,472	1,440	33	-1	*
1924	7,656	1,249	1,362	35	-149	-1.9
1925	7,520	1,438	1,095	33	+310	+4.1
1926	7,825	1,658	1,069	38	+551	+7.0
1927	7,960	1,678	1,074	38	+566	+7.1
1928	7,737	1,673	1,088	40	+545	+7.0
1929	7,894	2,177	1,135	43	+1,000	+12.7
1930	7,624	1,834	931	43	+860	+11.3
1931	7,540	1,720	852	47	+821	+10.9
1932	7,687	1,313	837	48	+428	+5.6
1933	7,813	1,805	825	53	+927	+11.9
1934	7,311	1,481	620	50	+811	+11.1
1935	6,179	2,590	218	49	+2,323	+37.6
1936	7,039	2,284	237	57	+1,991	+28.3
1937	6,998	2,770	263	55	+2,452	+35.0
1938	7,774	1,842	338	61	+1,443	+18.6
1939	8,211	1,798	536	70	+1,192	+14.5
1940	8,725	1,707	422	66	+1,219	+14.0
1941	9,333	1,967	640	81	+1,246	+13.4
1942	9,914	948	874	74	---	---
1943	10,656	961	1,514	81	-634	-5.9
1944	10,690	980	1,580	72	-672	-6.3
1945	9,371	904	1,052	71	-219	-2.3
1946	8,848	971	827	83	+60	+.7
1947 3/	9,935	1,424	931	77	+415	+4.2
	Edible fats and oils 4/					
1920	5,018	298	1,029	18	-748	-14.9
1921	5,508	103	1,374	21	-1,292	-23.5
1922	5,549	98	1,068	21	-991	-17.9
1923	6,092	177	1,261	24	-1,109	-18.2
1924	6,326	150	1,179	26	-1,054	-16.7
1925	6,142	137	921	24	-808	-13.2
1926	6,575	154	905	28	-779	-11.8
1927	6,631	109	896	27	-814	-12.3
1928	6,410	119	934	30	-845	-13.2
1929	6,603	155	979	31	-855	-12.9
1930	6,350	158	782	31	-655	-10.3
1931	6,323	187	697	36	-546	-8.6
1932	6,557	100	716	37	-653	-10.0
1933	6,583	137	686	42	-591	-9.0
1934	5,965	115	497	38	-419	-7.0
1935	5,078	524	137	36	+350	+6.9
1936	5,736	402	154	41	+207	+3.6
1937	5,729	464	174	41	+249	+4.3
1938	6,421	221	253	47	-78	-1.2
1939	6,539	133	414	53	-335	-5.1
1940	6,768	85	268	51	-235	-3.5
1941	7,070	61	445	61	-445	-6.3
1942	7,287	115	759	59	-703	-9.6
1943	8,086	87	1,139	64	-1,116	-13.8
1944	7,772	126	1,169	59	-1,102	-14.2
1945	6,938	154	892	51	-789	-11.4
1946	6,484	23	662	60	-699	-10.8
1947 3/	7,296	27	656	58	-687	-9.4

Continued

Table 4 .- Production of fats and oils from domestic materials, and trade in fats, oils, soap, and oilseeds (in terms of oil), United States, 1920-47 - Continued

Industrial fats and oils 5/

Year	Production from domestic materials	Imports 1/	Exports and reexports 2/	Shipments to United States Territories	Net imports (+) or net exports (-)	
					Quantity	Percentage of production from domestic materials
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
1920	738	1,056	176	6	+874	+118.4
1921	1,004	725	145	7	+574	+57.2
1922	1,020	1,102	162	7	+933	+91.5
1923	1,127	1,295	179	8	+1,108	+98.3
1924	1,330	1,098	184	10	+905	+68.0
1925	1,378	1,301	174	10	+1,118	+81.1
1926	1,250	1,504	163	10	+1,331	+106.5
1927	1,329	1,569	178	11	+1,380	+103.8
1928	1,327	1,554	154	10	+1,390	+104.7
1929	1,292	2,022	156	12	+1,854	+143.5
1930	1,274	1,676	149	12	+1,515	+118.9
1931	1,216	1,533	155	11	+1,367	+112.4
1932	1,130	1,212	121	11	+1,081	+95.7
1933	1,231	1,669	139	12	+1,518	+123.3
1934	1,347	1,366	123	12	+1,231	+91.4
1935	1,101	2,066	80	13	+1,973	+179.2
1936	1,303	1,882	82	16	+1,784	+136.9
1937	1,269	2,306	89	14	+2,203	+173.6
1938	1,353	1,621	86	14	+1,522	+112.5
1939	1,672	1,665	122	17	+1,527	+91.3
1940	1,958	1,623	154	15	+1,454	+74.3
1941	2,263	1,906	195	21	+1,690	+74.7
1942	2,627	834	115	15	+703	+26.8
1943	2,570	874	375	17	+483	+18.8
1944	2,917	854	411	13	+430	+14.7
1945	2,433	750	159	20	+571	+23.5
1946	2,363	949	166	23	+759	+32.1
1947 3/	2,639	1,396	275	19	+1,103	+41.8

Compiled from reports of Bureau of the Census and Fish and Wildlife Service, and reports and records of U. S. Department of Agriculture. Imports, exports, and shipments to U. S. Territories include oil equivalent of oilseeds, shortening, and soap. Exports and shipments also include fat content of margarine. Exports include military procurement for civilian relief abroad, Red Cross procurement for Americans held prisoners of war, and, in 1947, estimated shipments by private U. S. relief agencies.

1/ General imports, 1920-33; imports for consumption, 1934-47.

2/ Reexports of all items, 1920-33; reexports of coconut, palm, and tung oils, olive-oil "foots", and copra, 1934-47; and reexports in 1943-47 of certain quantities of whale oil, linseed oil and sunflower oil reported in imports for consumption.

3/ Preliminary.

4/ Production and trade in butter, lard, edible beef fats, corn, cottonseed, peanut, soybean, and edible olive oils; trade in sesame seed and oil, sunflower oil, teaseed oil, cottonseed, soybeans, peanuts for crushing, and shortening; and exports and shipments of margarine.

5/ Production and trade in inedible tallow and grease, neat's-foot oil, wool grease, marine animal oils, linseed oil, inedible olive oil and olive-oil "foots", tung oil, and miscellaneous vegetable oils; trade in babassu kernels and oil, castor beans and oil, coconut oil and copra, cashew-nut shell liquid (oil) Japan wax (tallow), oiticica oil, palm-kernels and oil, palm oil, perilla seed and oil, rapeseed oil, vegetable tallow, flaxseed, murumuru kernels, ouricury kernels, tucum kernels, and soap.

* Less than 0.05 percent.

Table 5 .- Imports and exports of fats, oils, oil-bearing materials, and fat-and-oil products, in terms of oil, average 1937-41, annual 1947, and January-March 1947 and 1948

Item	Imports for consumption				Exports 1/			
	Average 1937-41	1947	January-March		Average 1937-41	1947	January-March	
			1947	1948 2/			1947	1948 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils								
Butter	3.8	3.8	3.7	3/	9.5	4/17.3	4/1.6	4/2.7
Lard	3/	3/	3/	3/	272.7	415.6	105.8	111.6
Oleo oil	—	—	—	—	3.8	.1	.1	3/
Oleo stock	—	—	—	—	2.9	1.4	3/	3/
Stearine, animal, edible	1.0	—	—	—	.3	.2	3/	—
Tallow, edible	2.9	—	—	—	.2	.6	3/	.7
Total, edible animal fats	7.7	3.8	3.7	3/	289.4	435.2	107.5	115.0
Corn oil	14.2	—	—	—	.3	.4	3/	3/
Cottonseed oil	72.1	1.0	3/	.9	11.0	12.8	1.4	17.2
Cottonseed (15.5 percent)	—	—	—	—	—	2.1	1.7	1.2
Olive oil, edible	48.5	11.2	2.9	7.2	—	.1	3/	3/
Peanut oil	16.1	.1	3/	3/	2.4	2.2	3/	.6
Peanuts, shelled (43 percent)	—	—	—	—	—	74.8	26.4	55.8
Sesame oil	9.9	.2	.1	.3	—	—	—	—
Sesame seed (47 percent)	4.8	4.5	1.8	1.2	—	—	—	—
Soybean oil	7.0	.1	3/	.2	10.5	110.0	14.1	36.2
Soybeans (15 percent)	—	—	—	3/	30.9	22.5	9.6	11.2
Sunflower oil	.8	3/	—	3/	5/	.1	3/	—
Teaseed oil	10.0	6.4	.6	.5	—	—	—	—
Vegetable oils, shipments to U.S. Territories	—	—	—	—	8.5	8.3	3.7	1.8
Total, edible vegetable oils	183.4	23.5	5.4	10.3	63.6	233.3	56.9	124.0
Soap fats and oils								
Fish oils	2.6	3.1	1.7	5.3	2.7	10.9	1.7	2.7
Greases	—	3/	3/	3/	4.5	14.3	1.6	2.1
Marine mammal oils	25.4	14.9	.5	3/	2.9	.1	3/	3/
Olive oil "foots"	20.2	—	—	4.2	—	.1	3/	3/
Olive oil, inedible	5.5	.2	.1	3/	—	3/	3/	3/
Palm oil	301.2	63.2	11.6	17.7	17.3	11.7	2.1	4.6
Tallow, inedible	7.7	1.1	.3	.3	1.5	55.1	5.0	5.9
Total, slow-lathering oils	362.6	82.5	14.2	27.5	28.9	92.2	10.4	15.3
Babassu oil	.4	1.7	—	1.0	—	—	—	—
Babassu kernels (63 percent)	48.9	14.0	9.7	12.3	—	—	—	—
Coconut oil	362.8	23.6	8.5	25.0	33.4	61.6	20.6	9.7
Copra (63 percent)	335.9	853.9	250.2	205.7	27.8	21.7	9.7	.2
Murumuru kernels (36 percent)	1.2	3/	3/	—	—	—	—	—
Palm-kernel oil	28.8	2.4	—	2.4	—	—	—	—
Palm-nut kernels (45 percent)	14.8	3/	—	3/	—	—	—	—
Tucum kernels (43 percent)	2.4	7.3	1.1	1.9	—	—	—	—
Total lauric-acid oils	795.2	902.9	269.5	248.3	61.2	83.3	30.3	9.9
Drying oils								
Flaxseed (34 percent)	351.7	5.5	.9	.3	—	.3	3/	.2
Linseed oil	.1	117.3	28.8	1.8	3.3	24.0	.2	4.0
Oiticica oil	16.0	8.5	4.7	1.0	—	—	—	—
Perilla oil	28.9	—	—	—	—	—	—	—
Perilla seed (37 percent)	.5	—	—	—	—	—	—	—
Tung oil	100.4	121.6	46.8	46.3	5.0	7.2	1.6	1.9
Total drying oils	497.6	252.9	81.2	49.4	8.3	31.5	1.8	6.1
Other industrial oils and fats								
Cashew-nut shell liquid (oil)	2.7	3.4	.5	2.2	—	—	—	—
Castor oil	.5	6.6	5.0	1.1	1.0	3.4	.3	.3
Castor beans (45 percent)	95.0	124.6	41.0	42.3	—	—	—	—
Fish-liver oils	46.7	17.0	4.0	6.9	—	9.2	2.4	2.2
Japan wax (tallow)	3.0	—	—	3/	—	—	—	—
Neat's-foot oil	—	.1	3/	3/	.6	1.1	.1	3/
Rapeseed oil	10.3	5.8	1.5	1.9	—	3/	3/	3/
Vegetable tallow	2.7	.1	—	—	—	—	—	—
Wool grease	3.0	.1	3/	3/	—	—	—	—
Other vegetable oils and fats	—	.1	3/	.4	13.2	2.0	.1	.5
Total, other industrial	163.9	157.8	52.0	54.8	14.8	15.7	2.9	3.0
Manufactured products (fat content)								
Margarine 6/	1.9	—	—	3/	1.3	19.9	6.7	2.4
Shortening	1.4	3/	3/	3/	8.0	10.3	3.8	2.4
Soap	2.8	.4	.2	.1	30.8	62.4	15.0	10.7
Total, manufactured products	6.1	.4	.2	.1	40.1	92.6	25.5	15.5
Exports through private relief agencies	—	—	—	—	—	24.3	3.1	7.1
Grand total 7/	2,016.7	1,423.6	426.4	390.6	506.3	1,008.4	238.4	295.7

Compiled from Monthly Summary of Foreign Commerce of the United States, records of the Bureau of the Census, and reports of the U. S. Department of Agriculture.

1/ Includes shipments to U. S. territories of butter, lard, and manufactured products; reexports of coconut, palm, and tung oils, olive-oil foots, and copra; and reexports in 1947 of certain quantities of linseed oil reported in imports for consumption. 2/ Preliminary. 3/ Less than 50,000 pounds. 4/ Includes actual weight of butter oil and spreads (Army). These were not reported separately prior to 1945. 5/ Not reported separately. 6/ Imported margarine goes largely to Puerto Rico and the Virgin Islands. 7/ Computed from unrounded numbers.

Table 6 .- Fats and oils, including oleomargarine and shortening: Factory production from domestic and imported materials, January-March 1948, and factory and warehouse stocks at the end of month, March 1948, with comparative data

Items grouped by major use	Production				Stocks (crude basis)		
	March 1947	March 1948	January - March 1947	January - March 1948	March 31, 1947	February 29 1948	March 31, 1948
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Food fats and oils							
Butter 1/	110.5	89.8	299.8	246.0	7.8	7.3	3.5
Lard and rendered pork fat 2/	123.6	127.7	482.6	457.3	154.0	197.2	182.3
Oleo oil, edible animal stearine, and edible tallow	17.5	9.0	54.5	37.2	20.0	14.8	12.0
Total edible animal fats	251.6	226.5	836.9	740.5	181.8	219.3	197.8
Corn oil 3/	22.3	15.0	64.8	48.4	20.2	15.9	16.0
Cottonseed oil 3/	68.2	105.2	291.1	399.4	278.7	287.9	283.0
Olive oil, edible	.1	.2	1.9	2.3	3.8	2.4	2.3
Peanut oil 3/	21.3	10.4	60.5	41.7	49.0	32.6	34.9
Sesame oil	4/	4/	4/	4/	.5	.2	.2
Soybean oil 3/	145.0	139.4	437.7	432.3	172.8	180.9	204.9
Total edible vegetable oils	256.9	270.2	856.0	924.1	525.0	519.9	541.3
Soap fats and oils							
Tallow, inedible	87.2	89.9	272.0	284.4	116.8	163.4	178.7
Grease, excluding wool grease	42.7	43.3	139.0	138.7	57.4	114.7	121.2
Palm oil 3/	—	—	—	—	15.0	23.1	22.4
Fish oil	.4	.5	2.4	1.6	64.6	46.8	39.4
Marine mammal oils	—	—	—	—	3.5	12.6	11.3
Olive oil, inedible and "foots"	4/	4/	4/	4/	.5	.7	5/ .1
Total slow-lathering oils	130.3	133.7	413.4	424.7	257.8	361.3	373.1
Babassu oil 3/	4/	5.3	4/	5/ 8.1	4.5	6/ 2.8	6/ 7.9
Coconut oil 3/	73.9	64.3	205.6	213.4	129.8	97.7	108.9
Palm-kernel oil 3/	4/	4/	4/	4/	4/	4/	4/
Total lauric-acid oils	73.9	69.6	205.6	221.5	134.3	100.5	116.8
Drying oils							
Castor oil, dehydrated 7/	3.9	3.6	10.2	10.9	8.5	7.8	7.2
Linseed oil	31.4	46.3	96.7	155.4	125.1	141.5	135.7
Oiticica oil	—	—	—	—	5.7	1.8	1.6
Tung oil	2.1	2.5	6.7	7.9	45.5	52.2	50.9
Total drying oils	37.4	52.4	113.6	174.2	184.8	203.3	195.4
Other industrial oils and fats							
Neat's-foot oil	.3	.2	.6	.6	1.0	1.0	1.3
Wool grease	1.9	1.9	5.6	5.6	6.9	7.9	8.5
Cod oil and fish-liver oils	.4	.3	1.4	.8	11.1	9.7	12.4
Castor oil, No. 1 and No. 3 8/	8.9	9.5	27.5	27.2	20.0	21.9	26.4
Rapeseed oil	—	—	4/	—	6.5	6.1	5.7
Other vegetable oils	1.8	3.0	6.6	5.4	4.7	5.7	9.7
Total	13.3	14.9	41.7	39.6	50.2	52.3	64.0
Grand total, primary fats and oils 9/	763.5	766.9	2,467.4	2,524.5	1,333.7	1,456.6	1,488.3
Oleomargarine 10/	69.9	71.8	205.6	240.2	N.A.	N.A.	5.7
Shortening	138.6	109.0	399.6	347.1	51.2	64.1	59.6

Compiled from reports of the Bureau of the Census, except as noted. Data include stocks held by the Government in reported positions.

1/ Creamery butter production and cold-storage stocks, U. S. Department of Agriculture.

2/ Federally inspected production, USDA.

3/ Stocks, crude oil plus refined oil converted to crude basis by dividing by the following factors: Babassu, corn, cottonseed, palm, and palm-kernel oils, 0.93; coconut, peanut, and soybean oils, 0.94.

4/ Included in "other vegetable oils".

5/ Incomplete; partly included in "other vegetable oils".

6/ Crude oil only.

7/ Converted to crude basis by dividing by 0.88.

8/ Estimated quantity used in manufacture of dehydrated castor oil excluded from production.

9/ Computed from unrounded numbers.

10/ Bureau of Internal Revenue.

Table 7. - Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, April 1946 and 1947, February-April 1948

Item	Unit	April 1946	April 1947	1948 Feb.	1948 March	1948 April
		Dollars	Dollars	Dollars	Dollars	Dollars
			Oil-bearing materials			
Castor beans, Brazilian ports ...	Long ton	1/118.00	272.50	192.50	175.00	167.00
Copra, Philippine, c.i.f. Pacific Coast	Short ton	---	232.50	279.50	297.50	307.50
Cottonseed, United States average	" "	48.00	88.00	88.60	87.90	89.40
Flaxseed, No. 1, Minneapolis......	Bushel	3.10	7.50	6.51	6.19	6.04
Flaxseed, United States average..	"	2.89	7.34	5.73	5.86	5.76
Peanuts, No. 1, shelled, Spanish, Southeastern shipping points ..	100 lb.	14.75	17.62	16.88	16.75	16.88
Peanuts, United States average...	"	8.70	10.40	10.00	10.10	10.20
Soybeans, No. 2 Yellow, Chicago.	Bushel	---	---	---	3.59	3.86
Soybeans, United States average..	"	2.14	3.62	2.97	3.23	3.64
				Oilseed Meals 2/		
Copra meal, Los Angeles 3/.......	Short ton	49.50	60.20	83.90	82.20	83.60
Cottonseed meal, 41 percent protein, Memphis	" "	48.75	68.50	84.00	81.15	80.55
Cottonseed meal, 41 percent protein, Chicago	" "	54.75	---	93.60	90.95	88.90
Linseed meal, 34 percent protein, Minneapolis	" "	4/ 45.50	4/82.90	91.50	77.00	72.10
Linseed meal, 34 percent protein, New York	" "	49.00	88.65	101.10	89.90	84.25
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	" "	53.25	66.85	88.60	85.50	85.25
Soybean meal, 41 percent protein, Chicago	" "	52.00	72.15	89.00	84.75	86.20

Compiled from Oil, Paint and Drug Reporter, Daily Market Record (Minneapolis), Chicago Journal of Commerce, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration. 1/ C.i.f. first port of arrival. 2/ Bagged, carlots. 3/ Original quotations adjusted to bagged-carlots basis. 4/ 32 percent protein.

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